

Back to Deficit Spending

By David S. Broder

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The budget your federal government published last week is a thing of beauty. Printed on slick paper, with a red, white and blue flag-design cover, it resembles nothing so much as an expensive corporate report to stockholders -- the kind where the photography is so gorgeous you can hardly wrench your eyes away to the columns of figures reporting that Amalgamated Widgets tanked last year.

I have been reading these budgets every winter for 45 years, and this is the first time my eyes have been distracted by photos of elderly grandmas contemplating their daily dose of prescription drugs and Job Corps trainees learning to be electrical technicians, not to mention captivating close-ups of the "endangered Golden-cheeked warbler" illustrating the Interior Department's conservation mission, or Quincy, the Department of Agriculture beagle, inspecting someone's attache case for pests.

This is a budget to make you proud -- positively grateful for all the good things your taxes financed. Not even the rash of red dots signaling failure of department after department to achieve the management reform goals set by President Bush last year can mar the pleasure of settling down in a comfortable chair to peruse the Fiscal Year 2003 Budget of the U.S. Government.

Unfortunately, the Amalgamated Widgets analogy is more than fanciful. The bottom line of this budget is that the \$5.6 trillion surplus projected a year ago has shrunk by \$4 trillion in less than a year, and we are back into deficit spending after a brief four years of paying our bills.

The wild inaccuracy of that 10-year estimate -- and similar guesses in previous budgets -- leads one "to conclude that the recent experiment with 10-year budget projections has been a failure," the good book says in measured tones.

Now they tell us! A year ago, when the president was lobbying his \$1.3 trillion tax cut through Congress, we were assured that there would be plenty of bucks to pay for it, while at the same time safeguarding Social Security and Medicare funds and reducing the national debt.

Now the debt, instead of shrinking, will bust through the statutory ceiling of \$5.95 trillion early this year -- and keep on climbing. The price of that rising debt will be an additional trillion dollars of interest payments over the next decade -- money that otherwise could have been used to bolster domestic programs being squeezed in this budget.

From now on, the budgeteers say, they will not try to look more than five years down the road. And yet, the same administration that professes to have learned a lesson from the past year's gross misreading of the fiscal crystal ball is calling on Congress to make permanent the tax cuts enacted last year on the basis of that faulty estimate.

The additional tax cuts the president is seeking in this budget will cost \$591 billion. When Ronald Reagan signed the across-the-board tax cuts on which Bush has built his model, Daniel Patrick Moynihan argued that the unstated goal was to shrink the federal government by starving it of revenues. Instead, spending grew and deficits exploded.

That is even more certain to be the consequence now. When Reagan did his tax cuts in 1981, we were a full generation away from the baby-boom retirements, which will drain Social Security and vastly increase the costs of Medicare.

Now we are only six years away from the first boomers reaching retirement age. For four years, starting with fiscal 1998, we were able to break the habit of using Social Security and Medicare taxes to help finance the rest of the government. Now we are going back to that wicked practice. And, as many critics on Capitol Hill have pointed out, Bush's own budget anticipates that this will continue for years.

At the very time when we should be saving for the certain costs of meeting the retiree wave's retirement and health care costs, we are borrowing against their future -- and our own.

A final irony. On every page of the budget dealing with the war on terrorism and homeland defense, you will see a small icon of the Minuteman statue. A Minuteman admired by a small child is the logo of the Concord Coalition, a bipartisan group preaching fiscal sanity and headed by former senators Warren Rudman and Bob Kerrey. They call for "generational patriotism," which means, among other things, taking prudent steps today to prepare for tomorrow.

All the pretty pictures in the world cannot disguise the fact that this budget fails to do that.

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